



INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the Primary Government and to other government units, on a cost-reimbursement basis.

Self-Insurance Funds - to provide insurance protection to the Primary Government and the participating Component Unit Entities - Board of Education, Library, and Community College. The Life and Health Benefits Fund provides coverage for the Primary Government and Library employees. The Unemployment Compensation Fund covers required payments to the State of Maryland Unemployment Compensation Fund.

Vehicle Maintenance Fund - to account for the activities which provide the maintenance and repair services for County-owned vehicles.

Computer Services Fund - to provide for computer and office automation services to County departments and agencies.

PRINCE GEORGE'S COUNTY, MARYLAND
Combining Statement of Net Assets
Internal Service Funds
June 30, 2003

<u>Assets</u>	<u>Self-Insurance Funds</u>							<u>Computer Services Fund</u>	<u>Total</u>
	<u>Unemployment Compensation</u>	<u>Property Loss</u>	<u>Automobile Liability</u>	<u>Worker's Compensation</u>	<u>General Liability</u>	<u>Life and Health Benefits</u>	<u>Vehicle Maintenance Fund</u>		
Current assets:									
Cash and investments	\$ 131,884	196	510,014	4,000,433	10,653,091	11,479,237	3,045,319	4,996,573	34,816,747
Accounts receivable	-	43,980	7,855	9,473	961	313,412	15,212	36,147	427,040
Less allowance for uncollectible accounts	-	-	(5,847)	-	(549)	-	-	-	(6,396)
Accrued interest receivable	-	7,061	10,379	73,024	13,121	-	-	-	103,585
Due from (to) other funds	-	(26,000)	-	(86,000)	112,000	-	-	-	-
Due from component units	-	1,263,246	-	12,547,011	505,160	-	-	-	14,315,417
Inventories, at cost	-	-	-	-	-	-	166,955	536,064	703,019
Prepaid costs and deposits	-	231,243	-	-	23,884	1,241,300	-	-	1,496,427
Total current assets	<u>131,884</u>	<u>1,519,726</u>	<u>522,401</u>	<u>16,543,941</u>	<u>11,307,668</u>	<u>13,033,949</u>	<u>3,227,486</u>	<u>5,568,784</u>	<u>51,855,839</u>
Noncurrent assets:									
Restricted cash and investments	-	1,101,918	1,256,879	11,050,043	1,664,344	-	210,774	-	15,283,958
Capital assets:									
Land	-	-	-	-	-	-	1,000,000	-	1,000,000
Buildings	-	-	-	-	-	-	2,640,889	-	2,640,889
Accumulated depreciation	-	-	-	-	-	-	(1,147,934)	-	(1,147,934)
Improvements other than buildings	-	-	-	-	-	-	328,014	-	328,014
Accumulated depreciation	-	-	-	-	-	-	(284,364)	-	(284,364)
Equipment	-	-	-	-	-	-	2,241,541	3,009,831	5,251,372
Accumulated depreciation	-	-	-	-	-	-	(1,289,609)	(1,972,787)	(3,262,396)
Net capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,488,537</u>	<u>1,037,044</u>	<u>4,525,581</u>
Deferred debt issue costs	-	-	-	-	-	-	47,480	-	47,480
Total noncurrent assets	<u>-</u>	<u>1,101,918</u>	<u>1,256,879</u>	<u>11,050,043</u>	<u>1,664,344</u>	<u>-</u>	<u>3,746,791</u>	<u>1,037,044</u>	<u>19,857,019</u>
Total assets	<u>\$ 131,884</u>	<u>2,621,644</u>	<u>1,779,280</u>	<u>27,593,984</u>	<u>12,972,012</u>	<u>13,033,949</u>	<u>6,974,277</u>	<u>6,605,828</u>	<u>71,712,858</u>

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND
Combining Statement of Net Assets
Internal Service Funds
June 30, 2003

<u>Liabilities</u>	<u>Unemployment Compensation</u>	<u>Property Loss</u>	<u>Automobile Liability</u>	<u>Worker's Compensation</u>	<u>General Liability</u>	<u>Life and Health Benefits</u>	<u>Vehicle Maintenance Fund</u>	<u>Computer Services Fund</u>	<u>Total</u>
Current liabilities:									
Current portion of compensated absences and termination benefits payable	\$ -	-	-	-	-	-	425,851	202,663	628,514
Current portion of notes payable	-	-	-	-	-	-	219,333	-	219,333
Accounts payable	57,638	153,490	72,335	1,026,407	101,733	1,495,645	423,378	2,871,207	6,201,833
Accrued costs	-	-	-	49	93	-	189,818	141,376	331,336
Deferred revenue	-	10,504	3,840	95,541	643	180,985	-	-	291,513
Deposits	-	4,126	-	130,450	18,121	-	-	-	152,697
Current portion of estimated liability on pending claims	70,842	1,275,832	630,149	8,979,428	3,212,856	6,572,559	-	-	20,741,666
Total current liabilities	128,480	1,443,952	706,324	10,231,875	3,333,446	8,249,189	1,258,380	3,215,246	28,566,892
Noncurrent liabilities:									
Unamortized discount	-	-	-	-	-	-	(19,036)	-	(19,036)
Compensated absences and termination benefits payable, less current portion	-	-	-	-	-	-	358,756	216,413	575,169
Estimated liability on pending claims, less current portion	-	1,177,692	1,072,956	26,938,285	9,638,566	-	-	-	38,827,499
Notes payable, less current portion	-	-	-	-	-	-	2,643,289	-	2,643,289
Total long-term liabilities	-	1,177,692	1,072,956	26,938,285	9,638,566	-	2,983,009	216,413	42,026,921
Total liabilities	128,480	2,621,644	1,779,280	37,170,160	12,972,012	8,249,189	4,241,389	3,431,659	70,593,813
<u>Net Assets</u>									
Invested in net assets, net of related debt	-	-	-	-	-	-	805,448	1,037,044	1,842,492
Unrestricted	3,404	-	-	(9,576,176)	-	4,784,760	1,927,440	2,137,125	(723,447)
Total net assets	\$ 3,404	-	-	(9,576,176)	-	4,784,760	2,732,888	3,174,169	1,119,045

PRINCE GEORGE'S COUNTY, MARYLAND
Combining Statement of Revenue, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the year ended June 30, 2003

	Self-Insurance Funds						Vehicle	Computer	
	Unemployment Compensation	Property Loss	Automobile Liability	Worker's Compensation	General Liability	Life and Health Benefits	Maintenance Fund	Services Fund	Total
Operating revenue:									
Premium contributions	\$ 235,000	1,799,949	2,001,438	17,572,775	4,938,521	50,506,463	-	-	77,054,146
Sales									
Fuel sales	-	-	-	-	-	-	14,530	-	14,530
Office automation sales	-	-	-	-	-	-	-	14,105,956	14,105,956
Charges for services:									
Maintenance and repair charges	-	-	-	-	-	-	8,321,787	-	8,321,787
Use of money and property - rentals	-	-	-	-	-	-	98,353	197,490	295,843
Miscellaneous - subrogations and other	-	155,952	-	635,938	-	678,353	879	11,671	1,482,793
Total operating revenue	<u>235,000</u>	<u>1,955,901</u>	<u>2,001,438</u>	<u>18,208,713</u>	<u>4,938,521</u>	<u>51,184,816</u>	<u>8,435,549</u>	<u>14,315,117</u>	<u>101,275,055</u>
Operating expenses:									
Salaries	-	-	-	-	-	-	3,441,123	2,959,272	6,400,395
Fringe benefits	-	-	-	-	-	-	920,983	642,600	1,563,583
Contractual services	-	-	-	-	-	-	161,992	11,984,626	12,146,618
Materials	-	-	-	-	-	-	159,234	3,945,019	4,104,253
Facility and equipment rental	-	-	-	-	-	-	115,997	103,053	219,050
General and administrative:									
Administrative expenses	17,609	228,302	354,339	1,919,398	921,587	2,795,131	217,727	641,155	7,095,248
State worker's compensation tax	-	-	-	273,207	-	-	-	-	273,207
Depreciation	-	-	-	-	-	-	343,767	186,444	530,211
Insurance claims	223,347	1,486,390	1,054,939	21,455,566	5,617,483	31,229,576	-	-	61,067,301
Insurance premiums	-	946,630	-	648,067	166,890	11,574,962	-	-	13,336,549
Other:									
Repair and maintenance	-	-	-	-	-	-	2,878,529	561,558	3,440,087
Other operating expenses	-	-	-	-	-	-	29,006	-	29,006
Total operating expenses	<u>240,956</u>	<u>2,661,322</u>	<u>1,409,278</u>	<u>24,296,238</u>	<u>6,705,960</u>	<u>45,599,669</u>	<u>8,268,358</u>	<u>21,023,727</u>	<u>110,205,508</u>
Operating income (loss)	<u>(5,956)</u>	<u>(705,421)</u>	<u>592,160</u>	<u>(6,087,525)</u>	<u>(1,767,439)</u>	<u>5,585,147</u>	<u>167,191</u>	<u>(6,708,610)</u>	<u>(8,930,453)</u>
Nonoperating revenue (expenses):									
Interest income	-	60,427	105,104	667,121	345,012	-	-	-	1,177,664
Interest expense	-	-	-	-	-	-	(169,890)	-	(169,890)
Debt issuance costs	-	-	-	-	-	-	(5,379)	-	(5,379)
Loss on sale of capital assets	-	-	-	-	-	-	(1,000)	-	(1,000)
Total nonoperating revenue (expenses)	<u>-</u>	<u>60,427</u>	<u>105,104</u>	<u>667,121</u>	<u>345,012</u>	<u>-</u>	<u>(176,269)</u>	<u>-</u>	<u>1,001,395</u>
Income (loss) before transfers	<u>(5,956)</u>	<u>(644,994)</u>	<u>697,264</u>	<u>(5,420,404)</u>	<u>(1,422,427)</u>	<u>5,585,147</u>	<u>(9,078)</u>	<u>(6,708,610)</u>	<u>(7,929,058)</u>
Capital contributions	-	-	-	-	-	-	-	63,643	63,643
Interfund transfer in	-	-	-	-	-	-	-	4,885,153	4,885,153
Intrafund transfers in (out)	<u>-</u>	<u>644,994</u>	<u>(697,264)</u>	<u>(1,370,157)</u>	<u>1,422,427</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	<u>(5,956)</u>	<u>-</u>	<u>-</u>	<u>(6,790,561)</u>	<u>-</u>	<u>5,585,147</u>	<u>(9,078)</u>	<u>(1,759,814)</u>	<u>(2,980,262)</u>
Total net assets (deficit) - beginning	<u>9,360</u>	<u>-</u>	<u>-</u>	<u>(2,785,615)</u>	<u>-</u>	<u>(800,387)</u>	<u>2,741,966</u>	<u>4,933,983</u>	<u>4,099,307</u>
Total net assets (deficit) - end	<u>\$ 3,404</u>	<u>-</u>	<u>-</u>	<u>(9,576,176)</u>	<u>-</u>	<u>4,784,760</u>	<u>2,732,888</u>	<u>3,174,169</u>	<u>1,119,045</u>

PRINCE GEORGE'S COUNTY, MARYLAND
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2003

	Self-Insurance Funds								
	Unemployment Compensation	Property Loss	Automobile Liability	Worker's Compensation	General Liability	Life and Health Benefits	Vehicle Maintenance Fund	Computer Services Fund	Total
Cash flows from operating activities:									
Cash received from customers	\$ 235,000	1,672,519	2,005,278	13,001,878	4,356,029	50,223,412	8,429,015	14,353,720	94,276,851
Cash payments to suppliers for goods and services	(224,995)	(642,782)	(315,079)	(1,846,402)	(855,101)	(2,062,499)	(3,210,217)	(15,505,726)	(24,662,801)
Cash payments to employees for services	-	-	-	-	-	-	(4,285,866)	(3,303,657)	(7,589,523)
Premium and claim payments	-	(1,705,653)	(1,078,697)	(17,673,751)	(5,959,169)	(43,123,245)	-	-	(69,540,515)
Other cash receipts	-	-	-	-	-	678,353	879	-	679,232
Net cash and cash equivalents provided (used) by operating activities	10,005	(675,916)	611,502	(6,518,275)	(2,458,241)	5,716,021	933,811	(4,455,663)	(6,836,756)
Cash flows from noncapital financing activities:									
Interfund transfers in	-	-	-	-	-	-	-	4,885,153	4,885,153
Intrafund transfers in (out)	-	644,994	(697,264)	(1,370,157)	1,422,427	-	-	-	-
Net cash and cash equivalents provided (used) by noncapital financing activities	-	644,994	(697,264)	(1,370,157)	1,422,427	-	-	4,885,153	4,885,153
Cash flows from capital and related financing activities:									
Acquisition and construction of capital assets	-	-	-	-	-	-	(651,293)	(25,979)	(677,272)
Principal payments on notes payable	-	-	-	-	-	-	(208,413)	-	(208,413)
Interest payments	-	-	-	-	-	-	(171,249)	-	(171,249)
Net cash and cash equivalents used in capital and related financing activities	-	-	-	-	-	-	(1,030,955)	(25,979)	(1,056,934)
Cash flows from investing activities:									
Interest on investments	-	70,486	126,100	742,153	422,061	-	-	-	1,360,800
Net cash and cash equivalents provided by investing activities	-	70,486	126,100	742,153	422,061	-	-	-	1,360,800
Net increase (decrease) in cash and cash equivalents	10,005	39,564	40,338	(7,146,279)	(613,753)	5,716,021	(97,144)	403,511	(1,647,737)
Cash and cash equivalents, beginning of year	121,879	1,062,550	1,726,555	22,196,755	12,931,188	5,763,216	3,353,237	4,593,062	51,748,442
Cash and cash equivalents, end of year	\$ 131,884	1,102,114	1,766,893	15,050,476	12,317,435	11,479,237	3,256,093	4,996,573	50,100,705

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PRINCE GEORGE'S COUNTY, MARYLAND
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2003

	Self-Insurance Funds						Vehicle	Computer	
	Unemployment	Property	Automobile	Worker's	General	Life and	Maintenance	Services	Total
	Compensation	Loss	Liability	Compensation	Liability	Health	Fund	Fund	
						Benefits			
Reconciliation of operating income to net cash provided (used) by operating activities									
Operating income (loss)	\$ (5,956)	(705,421)	592,160	(6,087,525)	(1,767,439)	5,585,147	167,191	(6,708,610)	(8,930,453)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities									
Depreciation - equipment	-	-	-	-	-	-	343,767	186,444	530,211
Changes in assets and liabilities:									
Decrease (increase) in:									
Accounts receivable	-	(2,975)	-	3,610	150	(308,941)	(5,655)	38,602	(275,209)
Inventories	-	-	-	-	-	-	94,912	(223,061)	(128,149)
Prepaid costs	-	(57,038)	-	-	14,737	(1)	-	-	(42,302)
Increase (decrease) in:									
Compensated absences and termination benefits payable	-	-	-	-	-	-	52,132	191,577	243,709
Accounts payable	10,138	(183,442)	39,260	260,369	51,991	732,633	257,356	1,952,746	3,121,051
Accrued costs	-	-	-	(166)	(242)	-	24,108	106,639	130,339
Due to other funds	-	(174,000)	-	86,000	-	-	-	-	(88,000)
Deferred revenue	-	(8,257)	3,840	(13,101)	(165,482)	25,890	-	-	(157,110)
Due from other funds	-	-	-	-	88,000	-	-	-	88,000
Due from component units	-	(272,150)	-	(5,197,344)	(505,160)	-	-	-	(5,974,654)
Estimated liability on pending claims	5,823	727,367	(23,758)	4,429,882	(174,796)	(318,707)	-	-	4,645,811
Total adjustments	15,961	29,505	19,342	(430,750)	(690,802)	130,874	766,620	2,252,947	2,093,697
Net cash and cash equivalents provided (used) by operating activities	\$ 10,005	(675,916)	611,502	(6,518,275)	(2,458,241)	5,716,021	933,811	(4,455,663)	(6,836,756)
Non-cash investing, capital and related financing activities:									
Decrease in accrued interest receivable	-	10,059	20,996	75,032	77,049	-	-	-	183,136
Donated capital assets	\$ -	-	-	-	-	-	-	63,643	63,643
	-	10,059	20,996	75,032	77,049	-	-	63,643	246,779